



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	HB0300
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Title:	Create snowmobile trail pass
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Primary Sponsor:	White, Kerry
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Status:	As Introduced
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|---|--|---|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input checked="" type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$214,956	\$214,956	\$214,956	\$214,956
Revenue:				
General Fund	\$4,687	\$4,687	\$4,687	\$4,687
State Special Revenue	\$393,930	\$36,000	\$36,000	\$393,930
Net Impact-General Fund Balance:	<u>\$4,687</u>	<u>\$4,687</u>	<u>\$4,687</u>	<u>\$4,687</u>

Description of fiscal impact: HB 300 requires all users of snowmobiles, motorized equipment, and mechanized transports (i.e. bicycles) to purchase an \$18 trail pass every three years and will generate revenue to be used for grooming of snowmobile trails and enforcement.

FISCAL ANALYSIS

Assumptions:

Department of Fish, Wildlife & Parks (FWP)

1. The majority of groomed snowmobile trail use is by snowmobiles. The number of other types of motorized or mechanized transport is not known.
2. The most recent information from the Department of Justice indicates for 2013 there were a total of 56,844 registered snowmobiles in Montana.
3. Of the 56,844 snowmobiles registered in 2013, 4,000 were new registrations.
4. Based on the number of snowmobiles registered in 2013, the total number of registered snowmobiles for 2016 would be: 56,844 + 4,000 new registrations in 2014 + 4,000 new registrations in 2015 for a total of 64,844.

5. Of all registered snowmobiles, it is assumed that 75% are still serviceable to operate on groomed trails.
 $64,844 \times 75\% = 48,633$
6. Of the 75% still serviceable, it is further assumed that 50% will be operated on a groomed trail. $48,633 \times 50\% = 24,317$
7. Compliance with the requirement for a trail pass is estimated to be 90%. $24,317 \times 90\% = 21,885$
8. Revenue generated in the first year would be \$393,930. ($21,885 \times \18 trail pass)
9. Based on 4,000 new registrations annually and 50% of those buying a trail pass, revenue for 2017 and 2018 is $4,000 \times 50\% \times \$18 = \$36,000$.
10. Because the trail pass is valid for three years, and assuming the same number of snowmobiles in use, revenue in 2019 would be $21,885 \times \$18 = \$393,930$
11. Of the \$18 snowmobile trail use pass, \$2 must be remitted to the vendor who sold the trail pass, \$1 must be used for enforcement, and \$15 must be used for grants or funding assistance for the grooming of snowmobile areas.
12. Of the \$15 designated for grooming of snowmobile areas, 60% will be used for purchasing snowmobile groomers and 40% will be used for grants to snowmobile clubs.
13. Annual expenditures are based on the average revenue generated each biennium is $(\$393,930 + \$36,000) / 2 = \$214,965$. The average number of passes sold is $(21,885 + 2000) / 2 = 11,942$
14. The average annual revenue will be spent:
 - a. Operations: $\$2 \times 11,942 = \$23,884$ to the vendor who sold the pass and $\$1 \times 11,942 = \$11,942$ for enforcement
 - b. Equipment: $\$15 \times 11,942 \times 60\% = \$107,478$
 - c. Grants: $\$15 \times 11,943 \times 40\% = \$71,652$
15. For the first year, while trail users become educated about the requirement, warnings will be issued for non-compliance.
16. Fines assessed for non-compliance range from \$25 to \$100.
17. Wardens currently make an average of 744 contacts with snowmobile users annually.
18. Based on 10% non-compliance and an average fine of \$63, revenue from fines is estimated to be $744 \text{ contacts} \times 10\% \times \$63 = \$4,687$
19. Under current statute, the revenue from fines is deposited in the general fund.

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$35,826	\$35,826	\$35,826	\$35,826
Equipment	\$107,478	\$107,478	\$107,478	\$107,478
Grants	\$71,652	\$71,652	\$71,652	\$71,652
TOTAL Expenditures	\$214,956	\$214,956	\$214,956	\$214,956
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$214,956	\$214,956	\$214,956	\$214,956
TOTAL Funding of Exp.	\$214,956	\$214,956	\$214,956	\$214,956
<u>Revenues:</u>				
General Fund (01)	\$0	\$4,687	\$4,687	\$4,687
State Special Revenue (02)	\$393,930	\$36,000	\$36,000	\$393,930
TOTAL Revenues	\$393,930	\$40,687	\$40,687	\$398,617
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$4,687	\$4,687	\$4,687
State Special Revenue (02)	\$178,974	(\$178,956)	(\$178,956)	\$178,974

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date